

Center for American Progress

It's More Than Money: Making Performance-Based Compensation Work

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Six Cornerstones of Effective Performance-based Compensation

- Systemic reform
- Collaboration
- Organizational sustainability
- Financial sustainability
- Broad base of support
- Benefit to students

Cornerstone 1: Performance-based compensation is a systemic reform

- Serves as a catalyst for reform
- Involves significant changes in district systems
- Depends on leadership, readiness and capacity

Cornerstone 2: Compensation reform must be done with teachers, not to teachers

- Understand the relationship to the contract
- Enable teachers to inform and shape the reform
- Build trust and implementation support

Cornerstone 3: Compensation reform must be organizationally sustainable

- Recognize: teacher effectiveness depends on management effectiveness
- Align and improve quality of district support to classrooms
- Emphasize capacity building: key to mid-course corrections and scaling up

Cornerstone 4: Performance-based compensation must be financially sustainable

- Address three types of costs:
 - ▲ Transitioning
 - ▲ Sustaining
 - ▲ Reallocating
- Understand: it costs more
- Plan from the start for the long-term

Cornerstone 5: A broad base of support is required in the district and community

- Focus on constituency building
- Increase awareness and support through community organizing
- Value two-way communication within the district and community

Cornerstone 6: Performance-based compensation must benefit students

Understand the implications for:

- Multiple measures of student achievement
- Comprehensive study:
base decisions on evidence
- Funders

A Lesson of Institutional Change

- Move past continuing misconceptions
- Understand gaps between practice/policy and results
- Integrate human capital reform and school improvement